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DEPARTMENT FOR INR/R/MR, EAP/CM, EAP/PA, EAP/PD, C HQ PACOM FOR PUBLIC DIPLOMACY ADVISOR (J007) SIPDIS

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TAGS: ECON KMDR OPRC CH

SUBJECT: MEDIA REACTION: U.S. TARIFFS ON CHINESE TIRE IMPORTS

Editorial Quotes

a: "Obama claims the U.S. does not challenge China"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(09/16)(pg 16): "Chinese Ministry of Commerce Spokesperson Yao Jian said that the U.S. sent the wrong message to the world. At the G20 summit, China will continue to oppose protectionism but does not want this issue to damage U.S.-China relations. There are two opinion camps in the U.S. The Chairman of the American Iron and Steel Workers' Union implied that the union would urge the government to continue its campaigns to resist products made in China, while CNN issued an article named 'it bad idea to have a trade war with China.' Zhou Shijian, a researcher at the U.S.-China Relations Study Center at Qinghua University, argues that this trade dispute is normal and it will not cause a trade war. As the world's factory, China is often treated as a scapegoat by other countries. China should actively respond to this case and fight vigorously against it, but the fight should be within certain parameters; because neither the U.S. nor China wants the fight to expand into other areas. Jiang Yong, Director at the Economic Security Center at China Institute of Contemporary International Relations (CICIR) believes that the U.S. will not continue down this path since the safeguard measures concern U.S. domestic interests. At present, U.S. economic recovery is not optimistic. Moreover, China quickly responded to the U.S. tariffs, which shows that China has prepared and warns the U.S. that it should not enlarge this trade dispute.

b: "Hu Jintao will express China's views at four summits in the U.S."  $\,$ 

The Shanghai-based Shanghai Media Group (SMG) publication, China Business News (Diyi Caijing)(02/03) (pg A1): "The coming Pittsburg summit opens while the crisis has almost reached its bottom and financial recovery is having difficulties. All the participating countries have a vague idea of the present situation and are arguing about how to deal with it. Ma Xiaolin, an expert on international issues, has said that, at the summit, China's views will become the views of the main stream. China will be supportive of the remedy policies of other countries. Withdrawing from the economic recovery plans, which is considered by many countries to be the main topic at the summit, may not be practical. A large scale of withdraw from economic rescue plans is impossible. The G20 summit in Pittsburgh, in light of the recent Sino-U.S. tire dispute and the countervailing and anti-dumping investigations on U.S. poultry and auto imports, may give rise to a protectionism debate. In order to responsibly promote global economic recovery, China will continue to emphasize, together with the other participants, the agreements agreed upon during the last two summits, which express firm opposition to protectionism and agree that trade safeguard measures are best not used at all, used less often."

c: "Chinese bean market should not be limited by the U.S."

The official Communist Party international news publication Global Times (Huanqiu Shibao)(09/16)(pg 15): "China, which accounts for fifty percent of the global bean trade, is losing control of bean prices. U.S. bean subsidies have significantly impacted China's bean market and seriously threatened China's bean production. Because of the impact of imported American beans, China's bean market, bean workers' employment and ordinary people's living standards have all been influenced. For China, giving up certain bean production chain industries will lose them huge economic interests, a great deal of employment opportunity and food security for China, China, possesses obvious advantages in natural bean resources, and has realized less than one third of the self-generated bean products industry. This shows that  ${\tt China\ has}$ not paid enough attention to maintaining the supply-demand balance for food production. China urgently needs to conduct anti-dumping and countervailing investigations and protect domestic bean producers from imported U.S. beans in order to fight against the U.S.'s abusive use of special protectionist measures. China wants to tell the U.S. that it will not always be a juvenile in 'anti-dumping, countervailing and trade safeguards measures,' but that it has an obligation to maintain free global trade by using these measures.

## HUNTSMAN